



*A Guide to Your...*

# CalPERS Service Credit Purchase Options



California  
Public Employees'  
Retirement System

Each year, CalPERS sends you an Annual Member Statement that reports on your CalPERS years of service and member contributions. It's important to review this statement when you receive it, since your service credit amount is an important component in determining your future retirement benefits. There may be ways you can increase the amount of service credit you have with CalPERS. Perhaps you want to *redeposit* contributions you withdrew or make *new* contributions for eligible service you performed in the past but didn't receive credit for. Purchasing additional service credit can help you ensure that your retirement benefits are the highest the law allows — and may even let you retire earlier than you had planned!

## *A Guide to Your...* CalPERS Service Credit Purchase Options

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This booklet describes various types of CalPERS service credit you may be eligible to purchase and helps you decide if the increase in your *future* retirement benefits is worth the cost. On the following pages is information about the different service credit purchase options available. After you have read it, you can review the appropriate section to find out if you're eligible for a particular service credit option and what process you need to follow to request cost information and elect the purchase.

In most cases, you must request your cost information for purchase of service credit **before** you retire, so be sure to do so early in your retirement planning process.

## What is service credit?

You earn service credit for each year or partial year you work for a CalPERS-covered employer. It accumulates on a fiscal year basis, July 1 through June 30, and is one of the factors used to calculate your future retirement benefits.

CalPERS retirement benefits are based on:

- your years of service (service credit);
- your age at retirement; and
- your highest salary (for one or three consecutive years, depending on your employer's contract).

To earn a full year of service credit during a fiscal year, in general you must work *at least*:

Hourly pay employees - 1,720 hours

Daily pay employees - 215 days

Monthly pay employees – 10 months full-time

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*Service credit for retirement purposes may differ from the service credit used by your employer for accrual of leave time.*

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## How can I find out if I'm eligible for additional service credit?

If you're not sure, you need to check your CalPERS Annual Member Statement against your own employment records. Statements are mailed each October. (If yours isn't available, call CalPERS at (800) 352-2238 to request another copy.) Look for times when you withdrew contributions, were a temporary employee, were in the military, or took a leave of absence. You should also review the service credit purchase option information provided on page 4 to see if any of these options applies to you.

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*With certain exceptions, you must request your cost information for purchase of service credit **BEFORE** you retire.*

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## Who can purchase CalPERS service credit?

- **Active Members** – Members who are currently employed by a CalPERS-covered employer. This includes employees of the State, noncertificated school employees, and employees of cities, counties, and other public agencies that contract with CalPERS.
- **Inactive Members** – Those who no longer work for a CalPERS-covered employer, but still have contributions on deposit at CalPERS. (Note: Inactive members may purchase only *certain types* of service credit. See each option section for eligibility.)
- **Reciprocal System Members** – Former CalPERS members who are active members of other California retirement systems that can be “linked” to CalPERS at retirement. Retirement systems that have reciprocity with CalPERS are listed on page 10.
- **Optional Members** – Elected or appointed officials or legislative employees who exercise the option of becoming CalPERS members.

## Service Credit Purchase Options

CalPERS offers a variety of additional service credit purchase options. However, there are some limitations on who is eligible, so review the appropriate section to see if you qualify. You may be able to purchase service credit for time when you:

### Redeposit

- withdrew your CalPERS retirement contributions; or
- transferred contributions from a member account due to a community property settlement and these contributions have been withdrawn.

### Military, Peace Corps, or AmeriCorps\*VISTA Service

- served in active military duty prior to your CalPERS membership or took a leave of absence to serve on active duty; or
- served with the Peace Corps or AmeriCorps\*VISTA.

### Service Prior to Membership

- worked for a CalPERS-covered employer before you became a CalPERS member (for example, as a seasonal, temporary, or part-time employee); or
- worked for a federal or state employer under the Comprehensive Employment and Training Act (CETA).

## Leave of Absence

Took a leave of absence:

- for maternity or paternity;
- for a job-related injury or illness (temporary disability);
- to further your education;
- to work for a government agency, college, university, or nonprofit organization; or
- for a sabbatical.

### Layoff, Prior Service, & Optional Member Service

- were laid off by a CalPERS-covered employer that contracts for the layoff benefit (you must have been a full-time employee laid off on or after January 1, 1981);
- were working for your employer before it contracted with CalPERS or before a contract exclusion was removed; or
- served as an elected or appointed official or legislative employee (you must currently be an optional member and, if eligible, *choose to become* a CalPERS member).

If any of these situations applies to you, check the appropriate section to find out if you qualify to purchase this service credit, how to get cost information, and any limitations that may apply.

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*This guide does not include information for State employees interested in converting Second Tier service to the First Tier. If you need this information, call CalPERS at (800) 352-2238 to request a Second Tier Conversion Election Package.*

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## Purchasing Additional Service Credit

### What is the cost to purchase service credit?

The cost is determined using formulas that are established by law and may differ depending on your type of membership (State, school, or public agency) and the service credit you're requesting. More detailed information on how costs are determined is included in each section.

**Since service credit purchases can be costly, you can use the Service Credit Cost Estimator (available July 2000) on our web site ([www.calpers.ca.gov](http://www.calpers.ca.gov)) to get an idea of the cost for Redeposit; Maternity/Paternity (State and school members only); Military, Peace Corps, and AmeriCorps\*VISTA (State and school members only); and Service Prior to Membership service credit purchases.**

### How long will it take to receive cost information?

You should receive your cost information approximately two to four weeks after CalPERS receives your completed request form.

### Is it ALWAYS a good idea to purchase service credit?

Only **you** can decide if the increase to your future benefits is worth the cost. You may want to attend a CalPERS retirement workshop to find out more. Check with your nearest CalPERS Regional Office for dates and locations. (See list on inside back cover.) You can also use the on-line Retirement Planning Calculator on the CalPERS web site ([www.calpers.ca.gov](http://www.calpers.ca.gov)) to see how this additional service may impact your benefits.

## What are the payment options?

You can choose to pay for this service credit in one of four ways:

- **lump-sum payment** – You pay the entire amount at one time.
- **installment payments** – You can make payments for up to 96 months. However, interest continues to accrue until the entire amount is paid.
- **partial lump-sum payment with installment payments** – You pay an *initial* lump sum, and spread out payments on the remaining balance. However, interest continues to accrue until the entire amount is paid.
- **rollover/transfer** – You can make a lump-sum or partial lump-sum payment by making a rollover or transfer from a qualified 401(a) or 401(k) plan.

Additional details on payment options and interest rates will be sent to you with your cost information and election document. After you receive these materials, you have one year to make your election decision; however, additional costs may apply.

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*You cannot purchase service credit in CalPERS if you have already received credit for it in another public retirement system, except in certain limited circumstances.*

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## After You Mail Your Request

### CalPERS Review

**When CalPERS receives your completed request form, we will:**

- review the information for completeness (if it is not complete, we will send it back);
- determine your eligibility (if you are **not** eligible, we will notify you by mail);
- calculate the cost for the purchase of your eligible service; and
- send you cost information and an election document to mail in if you decide to purchase the service credit.

### Member Review

**When you get the cost information, you need to:**

- review the cost information to determine if a purchase would benefit you; and
- review the payment options and decide which is right for you.

### Purchase Decision

**If you decide to make a purchase, you need to:**

- choose a payment option;
- complete and sign the election document; and
- return it to CalPERS.

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*Your cost information is valid for one year, as long as you are still eligible to purchase this service credit; however, additional costs may apply. After one year, you must submit a **new** request for cost information.*

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## Service *Prior to Membership*

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Service prior to membership is time spent working for a CalPERS-covered employer *before* becoming a CalPERS member. This may include time spent working for a federal or State employer under CETA (Comprehensive Employment and Training Act).

## Who's Eligible?

**If you are now an active or inactive CalPERS member, you MAY be able to purchase service time if:**

- you worked for a CalPERS-covered employer as a seasonal, temporary, part-time, or intermittent employee, but were not a CalPERS member; or
- you worked under CETA for a federal- or State-sponsored program such as the Public Employee Program, Public Service Employment, Disabled Veterans' Outreach Program, Public Service Employment Program, or Cal Esteem.

**You CANNOT purchase CalPERS service time if:**

- the agency where the service was earned does not currently have a contract with CalPERS;
- your service is excluded by law or by the employer's contract with CalPERS; or
- you worked at a school in a *certificated* position. (You may want to contact the State Teachers' Retirement System to find out if you can purchase the service with them.)

## What's Required?

You must be an active or inactive CalPERS member and be able to provide CalPERS with documentation certifying your dates of service.

## What's the Cost?

The cost is based on your payrate and contribution rate on the date you became a member, and interest will be compounded annually to the date you make the purchase.

You can use the on-line Service Credit Cost Estimator (available July 2000) on the CalPERS web site ([www.calpers.ca.gov](http://www.calpers.ca.gov)) to get an idea of the cost of purchasing this service.

## What's Next?

Gather your employment history information for the time that you worked for a CalPERS-covered employer before becoming a CalPERS member. Then complete the request form following the steps on page 24.



# Steps for Requesting Service Credit Cost Information

## Step 1

### Complete Section A of the request form.

If we have provided cost information to you in the past for this type of service credit purchase, check the “Yes” box and indicate the date your request was submitted. If you have submitted a retirement application, check the “Yes” box and indicate your planned retirement date.

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*Only active or inactive CalPERS members can purchase their service prior to membership.*

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**Part 1** Complete your current mailing information.

**Part 2** Indicate the employer when the service was earned and list all periods of employment for which you are requesting credit for service prior to membership.

**Part 3** Sign and date the request form.

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*If your service prior to membership was with the State or with a California State University, go directly to Step 3. If your service prior to membership was with the University of California, a CalPERS-covered public agency, or a school, go to Step 2.*

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## Step 2

Give the form to the employer you worked for when the service was earned to complete either Part 4 or Section B. When you receive it back, continue to Step 3.

## Step 3

Submit the completed request form.

- Make a copy for your records.
- Mail the original to the CalPERS address listed on the form.





## Request for Service Credit Cost Information Service Prior to Membership

### Section A: Documentation of Service (to be completed by member)

Have you requested this cost information before? ☐ Yes ☐ No If yes, list date request was submitted: \_\_\_\_\_

Have you submitted a retirement application? ☐ Yes ☐ No If yes, list retirement date: \_\_\_\_\_

### Part 1 Member Information

Name	Social Security Number		
Former Name (if applicable)	Current Employer		
Daytime Phone			
Mailing Address	City	State	ZIP

### Part 2 Prior Employment Information

List the name and address of the employer when the service was earned. If this was a "certificated position," contact the State Teachers' Retirement System.

Employer			
Address	City	State	ZIP

Please list dates and hours of employment for which you are requesting credit. List each position separately and indicate whether service was full-time or part-time. If the service was part-time, indicate service as a fraction, or list the hours (i.e. 20 hours/month or 1/2 time).

Period of Employment		Location and Position	Hours Worked Per Time Base	OR Time Base Fraction of Full-Time
From (month/day/year)	To (month/day/year)			

### Part 3 Certification

I hereby certify that the above information is true and correct.

Member Signature	Date
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- If the service was performed for the State of California or a California State University, **STOP**. Sign this form on the line above and mail it to CalPERS at the address listed below.
- If the service was performed for the University of California, a CalPERS-covered public agency, or a school, forward this request form to the appropriate employer for completion of Part 4 or Section B before returning to CalPERS.

### Part 4 Statement and Signature of Authorized Employer Representative

By signing this document, you are certifying that the member-provided information is true and correct. If you do **not** agree with the information listed, complete the information in Section B on the reverse.

Employer Signature	Title	Date
Printed Name	Telephone Number	FAX Number

**Mail To: CalPERS Member Services Division, P.O. Box 4000, Sacramento, CA 95812-4000**

Name

Social Security Number

**Section B: Employer Certification (to be completed by employer ONLY if additional information is necessary. Otherwise, simply certify in Part 4 on the reverse)**

**If the service was performed for the State of California or California State University, employer certification is not required.**

**Part 1 Employee History**

Position Title \_\_\_\_\_ Period of Employment: From (month/day/year) To (month/day/year)

Position Type    ☐ Seasonal    ☐ Limited Term    ☐ On-Call    ☐ Intermittent    ☐ Permanent

Position Time Base ☐ Full-Time    ☐ Part-Time    ☐ Hourly    ☐ Fraction of Full-Time

Pay Period Type    ☐ Monthly    ☐ Semimonthly    ☐ Biweekly    ☐ Other: \_\_\_\_\_

Average number of days or hours per pay period: \_\_\_\_\_

Average percentage or fraction of time worked per pay period: \_\_\_\_\_

Please complete Part 3 below and return this request form to the member.

*Complete Part 2 only if one of the following conditions occurred: the employee was full-time, worked more than 1000 hours in a fiscal year (July 1 – June 30), or did not work a consistent time base and could not be listed above.*

**Part 2 Member Employment History**

From (mo./day/year)	To (mo./day/year)	Position Title	Payrate (hourly/daily/mo.)	Time Worked (hours/days)	Earnings	CalPERS use only

**Part 3 Statement and Signature of Authorized Employer Representative**

I hereby certify that the above information is true and correct.

Employer Signature

Title

Date

Printed Name

Telephone Number

FAX Number

**Employer: Please return the completed form to the member.**

## For More Information

### CalPERS Headquarters

400 P Street  
Sacramento, CA 95814  
(800) 352-2238  
Telecommunications Device for  
the Deaf: (916) 326-3240  
FAX: (916) 558-4019

### Sacramento Regional Office

2750 Gateway Oaks, Room 140  
Sacramento, CA 95833  
(800) 352-2238  
*as of June 2000: (877) 720-7377*  
FAX: (916) 231-7878

### Fresno Regional Office

10 River Park Place East, Suite 230  
Fresno, CA 93720  
(559) 440-4900  
*as of late 2000: (877) 720-7377*  
FAX: (559) 440-4901

### Glendale Regional Office

Glendale Plaza  
655 North Central Ave., Suite 1400  
Glendale, CA 91203  
(877) 720-7377  
FAX: (818) 662-4304

### Mountain View Regional Office

650 Castro Street, Suite 240  
Mountain View, CA 94041  
(650) 428-4600  
*as of late 2000: (877) 720-7377*  
FAX: (650) 428-4601

### Orange Regional Office

500 North State College Blvd., Suite 750  
Orange, CA 92868  
(714) 939-4700  
*as of late 2000: (877) 720-7377*  
FAX: (714) 939-4701

### San Bernardino Regional Office

650 East Hospitality Lane, Suite 330  
San Bernardino, CA 92408  
(909) 806-4800  
*as of late 2000: (877) 720-7377*  
FAX: (909) 806-4820

### San Diego Regional Office

7676 Hazard Center Drive, Suite 350  
San Diego, CA 92108  
(619) 220-7200  
*as of late 2000: (877) 720-7377*  
FAX: (619) 220-7201

### San Francisco Regional Office

301 Howard Street, Suite 2020  
San Francisco, CA 94105  
(415) 369-8500  
*as of late 2000: (877) 720-7377*  
FAX: (415) 369-8501



While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.





California Public Employees' Retirement System

400 P Street

Sacramento, CA 95814

*[www.calpers.ca.gov](http://www.calpers.ca.gov)*

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